

HARDSHIP GRANT FUNDS FINANCIAL PROJECTIONS

WAS

HARDSHIP GRANT FUNDS (HGF)	1st Qtr FY 2014 July - Sept 2013	2nd Qtr FY 2014 Oct - Dec 2013	3rd Qtr FY 2014 Jan - Mar 2014	4th Qtr FY 2014 Apr - June 2014	1st Qtr FY 2015 July - Sept 2014	2nd Qtr FY 2015 Oct - Dec 2014
Funds Available						
Beginning Balance	\$ -	\$ 1,087,215	\$ 1,450,995	\$ 1,757,331	\$ 2,314,515	\$ 1,224,558
Federal HGF Beginning Balance	10,011,811	-	-	-	-	-
State HGF Beginning Balance	120,346	-	-	-	-	-
2013 Principal Forgiveness Amount	495,019	-	-	-	-	-
Interest Earnings at 0.6%	15,198	1,631	2,176	2,636	3,472	1,837
UWLF Interest Earnings at 0.6%	15,870	7,279	8,685	10,699	12,791	14,270
Hardship Grant Assessments	467,452	-	223,532	1,013,129	451,765	-
Interest Payments	6,713	68,870	71,943	252,720	68,515	65,795
Advance Repayments	1,187,000	1,094,000	-	428,000	519,500	-
Total Funds Available	12,319,408	2,258,995	1,757,331	3,464,515	3,370,558	1,306,459
Project Obligations						
Blanding City - Planning Advance	(39,900)	-	-	-	-	-
Coalville - Planning Advance	(25,000)	-	-	-	-	-
*Coalville - Construction Grant	(4,121,000)	-	-	-	-	-
Duchesne County - Hancock Cove	(22,000)	-	-	-	-	-
Echo Sewer SSD - Construction Grant	(251,000)	-	-	-	-	-
Eureka City - Construction Grant	-	-	-	-	(1,146,000)	-
Francis City - Construction Grant	-	(808,000)	-	-	-	-
Francis City - Design Advance	(1,094,000)	-	-	-	-	-
Heber Valley - Planning Grant	(68,000)	-	-	-	-	-
Projects in Planning						
Elwood Town - Construction Grant	(21,682)	-	-	-	-	-
Long Valley SID - Construction Grant	-	-	-	(1,150,000)	-	-
Long Valley SID - Design Advance	(376,000)	-	-	-	-	-
Non-Point Source Project Obligations						
DEQ - Economic Study of Nutrient Removal	(44,004)	-	-	-	-	-
DEQ - Nutrient Reduction Benefit Study	(5,053)	-	-	-	-	-
DEQ - Willard Spur Study	(567,117)	-	-	-	-	-
Division of Wildlife Resources - Sevier River	(26,349)	-	-	-	-	-
Great Salt Lake Advisory Council	(400,000)	-	-	-	-	-
North Summit Pressurized Irrigation Co.	(500,000)	-	-	-	-	-
Twelve Mile Canyon	(79,810)	-	-	-	-	-
UACD	(12,455)	-	-	-	-	-
*UACD - FY 2014	(149,500)	-	-	-	-	-
UDAF	(989,343)	-	-	-	-	-
*Utah Farm Bureau	(50,500)	-	-	-	-	-
FY 2009 - Remaining Payments	(60,983)	-	-	-	-	-
FY 2010 - Remaining Payments	(96,771)	-	-	-	-	-
FY 2011 - Remaining Payments	(99,092)	-	-	-	-	-
FY 2012 - Remaining Payments	(380,131)	-	-	-	-	-
FY 2013 - Remaining Payments	(752,502)	-	-	-	-	-
FY 2014 Allocation	(1,000,000)	-	-	-	-	-
FY 2015 Allocation	-	-	-	-	(1,000,000)	-
Non-Point Source Projects in Planning						
None at this time	-	-	-	-	-	-
Total Obligations	(11,232,193)	(808,000)	-	(1,150,000)	(2,146,000)	-
HGF Unobligated Funds	\$ 1,087,215	\$ 1,450,995	\$ 1,757,331	\$ 2,314,515	\$ 1,224,558	\$ 1,306,459

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LOAN FUNDS FINANCIAL PROJECTIONS

	1st Qtr FY 2014	2nd Qtr FY 2014	3rd Qtr FY 2014	4th Qtr FY 2014	1st Qtr FY 2015	2nd Qtr FY 2015
STATE REVOLVING FUND (SRF)	July - Sept 2013	Oct - Dec 2013	Jan - Mar 2014	Apr - June 2014	July - Sept 2014	Oct - Dec 2014
Funds Available						
SRF - 1st Round (LOC) 2013 Cap Grant	\$ 6,725,760	\$ -	\$ -	\$ -	\$ -	\$ -
Less: 2013 Principal Forgiveness Amount	(495,019)	-	-	-	-	-
State Match	296,720	-	-	-	-	-
SRF - 2nd Round	56,784,376	50,430,679	51,991,087	57,544,806	60,355,352	62,500,919
Interest Earnings at 0.6%	85,177	75,646	77,987	86,317	90,533	93,751
Loan Repayments	1,096,666	1,484,761	5,475,733	2,724,229	2,055,034	1,520,811
Total Funds Available	64,493,679	51,991,087	57,544,806	60,355,352	62,500,919	64,115,482
Project Obligations						
Granger-Hunter Improvement District	(702,000)	-	-	-	-	-
Kearns Improvement District (2011)	(4,685,000)	-	-	-	-	-
South Valley WRF - NonPoint Source	(305,000)	-	-	-	-	-
Loan Authorizations						
Echo Sewer SSD	(218,000)	-	-	-	-	-
Ephraim City	(2,553,000)	-	-	-	-	-
Eureka City	(1,300,000)	-	-	-	-	-
Francis City	(4,300,000)	-	-	-	-	-
Projects in Planning						
Logan City	-	-	-	-	-	(50,000,000)
Total Obligations	(14,063,000)	-	-	-	-	(50,000,000)
SRF Unobligated Funds	\$ 50,430,679	\$ 51,991,087	\$ 57,544,806	\$ 60,355,352	\$ 62,500,919	\$ 14,115,482

	1st Qtr FY 2014	2nd Qtr FY 2014	3rd Qtr FY 2014	4th Qtr FY 2014	1st Qtr FY 2015	2nd Qtr FY 2015
UTAH WASTEWATER LOAN FUND (UWLF)	July - Sept 2013	Oct - Dec 2013	Jan - Mar 2014	Apr - June 2014	July - Sept 2014	Oct - Dec 2014
Funds Available						
UWLF	\$ 10,579,987	\$ 4,852,823	\$ 5,789,734	\$ 7,132,739	\$ 8,527,310	\$ 9,513,335
Sales Tax Revenue	417,506	896,875	896,875	896,875	896,875	896,875
Loan Repayments	14,000	366,986	773,080	824,646	416,100	355,000
Total Funds Available	11,011,493	6,116,684	7,459,689	8,854,260	9,840,285	10,765,210
General Obligations						
State Match Transfer	(296,720)	-	-	-	-	-
DWQ Administrative Expenses	(326,950)	(326,950)	(326,950)	(326,950)	(326,950)	(326,950)
Project Obligations						
Murray City	(1,596,000)	-	-	-	-	-
Loan Authorizations						
*Coalville	(1,144,000)	-	-	-	-	-
Long Valley SID	(1,150,000)	-	-	-	-	-
Midvalley Improvement District	(1,645,000)	-	-	-	-	-
Projects in Planning						
Eagle Mountain City	-	-	-	-	-	-
Total Obligations	(6,153,670)	(326,950)	(326,950)	(326,950)	(326,950)	(326,950)
UWLF Unobligated Funds	\$ 4,852,823	\$ 5,789,734	\$ 7,132,739	\$ 8,527,310	\$ 9,513,335	\$ 10,438,260

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State of Utah
Wastewater Project Assistance Program
Project Priority List

FY14 Rank	Project Name	Funding Authorized	Description of Project Status
1	Logan City		Project in planning phase
2	Coalville City	x	Project in design phase
3	Eureka City	x	Project in planning phase
4	Echo City	x	Project in design phase
5 (Tie)	Kearns Improvement District	x	Project under construction
	Granger-Hunter Improvement District	x	Project under construction
7	Ephraim	x	Project in planning phase
8	Santaquin City	x	Project under construction
9	Long Valley Sewer Improvement District	x	Project in planning phase
10	Murray City	x	Project under construction
11	Elwood Town	x	Project under construction
12	Francis City	x	Project in planning phase
13	MidValley Improvement District	x	Project in design phase



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Department of
Environmental Quality

Amanda Smith
Executive Director

DIVISION OF WATER QUALITY
Walter L. Baker, P.E.
Director

MEMORANDUM

TO: Utah Water Quality Board

THROUGH: Walter L. Baker, P.E.
Executive Secretary

FROM: Lisa Nelson, EIT
Environmental Engineer

DATE: August 28, 2013

SUBJECT: Coalville City Request for Additional Funding for Increased Construction Costs

On January 25, 2012 the Water Quality Board (the Board) authorized Coalville funding in conjunction with financing from USDA Rural Development to build a new wastewater treatment facility to replace existing aged plant. On July 18, 2013 bids for the plant were opened and the low bidder was significantly above the budgeted amount. Below is a table comparing the original budget and the updated 2013 budget:

	2011 Budget	2013 Budget	Difference
Legal and Bonding	\$ 28,000	\$ 43,560	\$ 15,560
DWQ Loan Origination Fee (1%)	\$ 27,000	\$ 11,440	(\$15,560)
Engineering - Design	\$ 684,000	\$ 986,548	\$ 302,548
Engineering - CMS	\$ 684,000	\$ 604,362	(\$79,638)
Property & Easements	\$ 350,000	\$ 299,000	(\$51,000)
Construction	\$ 6,370,000	\$ 9,041,868	\$ 2,671,868
Contingency	\$ 1,047,000	\$ 452,425	(\$594,575)
Repay 2001 Bond	\$ 294,000	\$ 154,813	(\$139,187)
AT&T Fiber Optic Relocation		\$ 123,000	\$ 123,000
Archaeologist	\$ 40,000	\$ 65,000	\$ 25,000
Direct Expenses		\$ 8,981	\$ 8,981
Interest Accrued		(\$4,997)	(\$4,997)
Total	\$ 9,524,000	\$ 11,786,000	\$ 2,262,000

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Coalville City was able to successfully obtain additional financing from USDA-RD to help cover the short fall, however the City does still need additional funding from the Board to fully fund the project. The revised funding package is shown below in the following table:

Funding Partners	2011 Amount	2013 Amount	Difference
WQB Grant	\$ 3,480,000	\$ 4,121,000	\$ 641,000
WQB Loan	\$ 1,282,000	\$ 1,144,000	(\$138,000)
USDA Loan	\$ 2,273,000	\$ 2,856,000	\$ 583,000
USDA Grant	\$ 2,489,000	\$ 3,665,000	\$ 1,176,000
Total:	\$ 9,524,000	\$ 11,786,000	\$ 2,262,000

There were numerous compounding reasons for this substantial project cost overrun. The recent rebound in construction has resulted in higher construction costs. In addition, after design started challenging dewatering issues associated with the deep gravity line and the crossing of Chalk Creek were identified. The City also elected to incorporate additional flexibility to operate the MLE plant in multiple modes to optimize nutrient removal given the likelihood of more stringent discharge limits in the future. There were added expenses to have a roof on the facility given the potential for odor problems and the facility's prominent visibility as you enter the City. Other unforeseen expenses included the requirement to use larger aerators, the relocation of AT&T fiber optic lines, the addition of an in-plant lift station, and switching to mechanical reaeration rather than gravity. All of these contributed to the project cost overrun.

The City opened bids on July 18th and the low bidder was more than \$1.5 million less than the next low bidder. The low bidder has informed the City that they are unable to hold their bid price past the bid expiration date of September 16th. The City and the engineer immediately applied to RD for additional funding and RD was able to provide more than 75% percent of the requested funds. The City was extremely fortunate as it narrowly met RD's obligation deadline of August 8th, which was when unobligated funds are returned to the national office. It is critical that the City obtain this additional funding so that they can secure the contractor at their bid price.

~~Coalville City is requesting revised project funding in the form of a \$4,121,000 construction grant and a \$1,144,000 loan repayable over 20 years at an interest rate of 0.0%.~~

Staff recommends that the Board authorize the funding package as stated with the following special conditions:

1. Coalville City must agree to participate annually in the Municipal Wastewater Planning Program (MWPP).
2. Coalville City must establish a depreciation reserve fund and fully fund depreciation annually for the term of the bond, insofar as it is affordable, as determined by raising rates annually up to the maximum affordable limit (1.4% MAGI) as necessary to fund depreciation.
3. This authorization replaces all prior authorizations, pays off the outstanding 2001 sewer bond, and requires repayment of all outstanding advances at loan closing.

Coalville City Cash Flow Analysis (2013 dollars)

Proposed Financing	
WQB Grant	\$ 4,121,000
WQB Loan	\$ 1,144,000
USDA Loan	\$ 2,856,000
USDA Grant	\$ 3,665,000
Total:	\$ 11,786,000

Projected Annual Sewer Expenses	
Annual Operating Expense (O&M):	\$ 202,000
Water Quality Board Loan (0.0%, 20 yrs)	\$ 57,200
USDA Loan Payment (2.75%, 38 yrs)	\$ 122,087
Existing Debt (to be refinanced):	\$ 154,813
Total Annual Cost:	\$ 536,100

Projected Sewer Revenue Sources	
Beginning Cash	\$ -
2012 Customers (ERU)	678
50% Projected Growth thru 2020	0.73%
50% Projected Growth 2021-2030	1.24%
Sewer Impact Fee	3,331
Max User Fee @ 1.4% x \$42,188	\$ 49.22
Current Monthly User Fee	\$ 36.00

Sewer Revenue Projections

Year	Growth Rate (%)	Annual Growth (ERU)	Total Users (ERU)	User Charge	Revenue	Impact Fee	Total Revenue	WQB Loan Payment	WQB Loan Reserves	WQB Remaining Principal	WQB Interest Payment	USDA Loan Payment	Existing Sewer Debt Service	O&M Expenses	Total Expenses	Beginning Cash	Ending Cash Flow	Net Revenue	Debt Service Ratio
2013	0.7%	5	683	327,840	16,655	16,655	344,495	57,000	14,300	1,144,000	-	122,087	13,000	260,000	273,000	71,495	71,495	71,495	1.25
2014	0.7%	5	688	330,240	16,655	16,655	346,895	57,000	14,300	1,087,000	-	122,087	-	260,000	260,000	158,390	158,390	86,895	1.27
2015	0.7%	5	693	409,314	16,655	16,655	425,969	57,000	14,300	1,030,000	-	122,087	-	202,000	395,387	188,971	188,971	30,581	1.28
2016	0.7%	5	698	412,267	16,655	16,655	428,922	57,000	14,300	973,000	-	122,087	-	202,000	395,387	222,506	222,506	33,534	1.30
2017	0.7%	5	703	415,220	16,655	16,655	431,875	57,000	14,300	916,000	-	122,087	-	202,000	395,387	258,993	258,993	36,488	1.32
2018	0.7%	5	708	418,173	16,655	16,655	434,828	57,000	14,300	859,000	-	122,087	-	202,000	395,387	298,434	298,434	39,441	1.33
2019	0.7%	5	713	421,126	16,655	16,655	437,781	57,000	14,300	802,000	-	122,087	-	202,000	395,387	340,828	340,828	42,394	1.44
2020	0.7%	5	718	424,080	16,655	16,655	440,735	57,000	14,300	745,000	-	122,087	-	202,000	395,387	386,176	386,176	45,347	1.47
2021	1.2%	9	727	429,395	29,979	29,979	459,374	57,000	14,300	688,000	-	122,087	-	202,000	381,087	464,463	464,463	83,603	1.50
2022	1.2%	9	736	434,711	29,979	29,979	464,690	57,000	14,300	631,000	-	122,087	-	202,000	381,087	548,065	548,065	88,919	1.56
2023	1.2%	9	745	440,027	29,979	29,979	470,006	57,000	14,300	574,000	-	122,087	-	202,000	381,087	636,984	636,984	94,234	1.64
2024	1.2%	9	754	445,343	29,979	29,979	475,322	57,000	14,300	517,000	-	122,087	-	202,000	381,087	731,218	731,218	99,550	1.67
2025	1.2%	9	763	450,658	29,979	29,979	480,637	57,000	14,300	460,000	-	122,087	-	202,000	381,087	830,768	830,768	104,866	1.70
2026	1.2%	9	772	455,974	29,979	29,979	485,953	57,000	14,300	403,000	-	122,087	-	202,000	381,087	935,634	935,634	114,103	1.74
2027	1.2%	10	782	461,880	33,310	33,310	495,190	57,000	14,300	346,000	-	122,087	-	202,000	381,087	1,049,737	1,049,737	120,010	1.76
2028	1.2%	10	792	467,787	33,310	33,310	501,097	57,000	14,300	289,000	-	122,087	-	202,000	381,087	1,169,747	1,169,747	125,916	1.79
2029	1.2%	10	802	473,693	33,310	33,310	507,003	57,000	14,300	232,000	-	122,087	-	202,000	381,087	1,295,663	1,295,663	131,822	1.82
2030	1.2%	10	812	479,600	33,310	33,310	512,910	57,000	14,300	174,000	-	122,087	-	202,000	381,087	1,427,485	1,427,485	136,729	1.86
2031	1.2%	10	822	485,506	33,310	33,310	518,816	58,000	14,300	116,000	-	122,087	-	202,000	382,087	1,564,214	1,564,214	142,635	1.82
2032	1.2%	10	832	491,412	33,310	33,310	524,722	58,000	14,300	58,000	-	122,087	-	202,000	382,087	1,706,850	1,706,850	148,542	1.86
2033	1.2%	10	842	497,319	33,310	33,310	530,629	58,000	14,300	-	-	122,087	-	202,000	382,087	1,855,391	1,855,391	154,448	
2034	1.2%	10	852	503,225	33,310	33,310	536,535	58,000	14,300	-	-	122,087	-	202,000	382,087	2,009,839	2,009,839		

SPECIAL CONDITIONS:

- Coalville City must participate annually in the Municipal Wastewater Planning Program (MWPP)
- Coalville City must establish a depreciation reserve fund and fully fund depreciation annually for the term of the bond, insofar as it is affordable, as determined by raising rates annually up to the maximum affordable limit (1.4% MAGI) as necessary to fund depreciation.
- This authorization replaces all prior authorizations, pays off the outstanding 2001 sewer bond and requires repayment of all outstanding advances at loan closing.

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Project Number: _____
Date Received: January 25, 2011
Date to be presented to the WQB: April 6, 2011

**WATER QUALITY BOARD
REQUEST FOR HARDSHIP GRANT FUND RESERVE
AUTHORIZATION**

APPLICANT:	Coalville City 10 North Main PO Box 188 Coalville, Utah 84017 Telephone: 435-336-5981
PRESIDING OFFICIAL/CONTACT:	Mayor Duane Schmidt 10 North Main PO Box 188 Coalville, Utah 84017 Telephone: 435-336-5981
TREASURER:	Chantel Pace, City Recorder 10 North Main PO Box 188 Coalville, Utah 84017 Telephone: 435-336-5981
CONSULTING ENGINEER:	Trevor Lindley, Project Engineer J-U-B Engineers Inc. 466 North 900 West Kaysville, Utah 84037 Telephone: 801-544-0393
CITY ATTORNEY:	Sheldon Smith, Sheldon Smith & Associates PO Box 972 Coalville, Utah 84017 Telephone: 435-336-1200
BOND COUNSEL:	Eric Todd Johnson Blaisdell and Church P.C. 5995 S. Redwood Rd. Taylorsville, UT 84123 Telephone: 801-521-7620

APPLICANT'S REQUEST:

Coalville City is requesting financial assistance in the amount of a \$6,834,000 grant and \$2,650,000 loan at an interest rate of 0.0% repayable over 20 years for the construction of a new wastewater treatment facility to replace the existing facility that must be abandoned. Coalville City is also requesting an additional Planning Advance of \$25,000 to fund the work required to prepare a Rural Development funding application package, which requires the environmental work to be completed at the time of application.

APPLICANT'S LOCATION



PROJECT NEED

Coalville City's aged wastewater treatment facility currently resides on property leased from the United States Bureau of Reclamation (BOR) under a 50 year lease agreement set to expire in October 2014. The BOR is unwilling to extend the lease under terms that Coalville considers reasonable, forcing the City to relocate its wastewater treatment facilities in their entirety.

UPDATES SINCE THE INTRODUCTION ON FEBRUARY 23, 2011

Walt Baker will meet with Curtis Pledger of the Bureau of Reclamation on March 23rd at Coalville City to discuss what options are available that will allow the City to maintain the treatment plant at the existing site.

UPDATES SINCE THE HARDSHIP PLANNING ADVANCE ON JUNE 20, 2008

On June 20, 2008, the City of Coalville came to the Water Quality Board for a planning advance to help cover the costs associated with conducting a land transfer with BOR. As stated earlier, the wastewater treatment plant for the City of Coalville resides on land that is owned by the BOR and was leased back on a 50 year lease that comes due October 2014.

The City was under the early impression (based on Facility Planning funded by the City and conducted in 2006-2007) that the BOR was quite amenable to this transfer and all of the early meetings seemed to confirm this. From July 2008 until September 2009 the City and JUB and BOR staff were working towards this property transfer and working on all the required documents, one being the Emergency Response Plan. However, when the BOR Area Manager became involved in September 2009, the process began to stall.

The Area Manager of the BOR became adamant that an extensive berm surrounding the treatment facility would be required as part of the Emergency Response Plan prior to any sale or renewal of a lease. Design criteria described by the BOR required that the top of the berm match the crest of the dam; the berm have a keyway trench in the bottom extending approximately 5 feet below the native ground with an impervious material to block potential contamination; the berm be reinforced on the reservoir side in order to prevent erosion; and the berm have a crest width of approximately 10 feet with sides slopes of 1:1.

This would result in a berm surrounding the treatment plant approximately 7 feet higher than the treatment plant floor and 10 or more feet high above the nearby floor of the reservoir (immediately outside the lease area limits of the treatment plant). This is nearly five times greater than that necessary to contain emergency wastewater overflows. The BOR felt this could easily be accomplished for \$75,000. However, JUB's estimate was more in line with \$550,000. In addition the BOR has no interest in selling or leasing any additional land which would dramatically reduce treatment options for the City at the existing site.

The City and JUB and DWQ attended a meeting with Brad Shafer, Senior Advisor in Senator Bennett's office, to discuss these problems with BOR and the precarious situation it was putting the City in. Mr. Shafer called the BOR to intervene on the City's behalf and expressed his concerns, to no avail. The criticality of the schedule was discussed and the possibility of receiving 595 appropriations funding was broached.

The City has received a letter from BOR dated May 10, 2010 stating that if they found the BOR response to the City's request not to construct a berm unacceptable then "we encourage you to pursue constructing a new facility on non-federal lands" (copy of Letter in Appendix B). At this point the City isn't left with many options and has aggressively begun the process of trying to fund and construct a new facility within a very short and strict timeline.

Since that time, the City was awarded the 595 grant in the amount of \$5,000,000 (see copy of Signed Agreement in Appendix E). However, the 595 grant was withdrawn in December (see copy of Program

Manager Letter in Appendix D).

The City's wastewater treatment facility is an award winning facility that, despite the aging infrastructure, has consistently discharged high quality effluent to Chalk Creek. Chalk Creek drains into Echo Reservoir that has a state beneficial use classification that includes culinary water. This facility has been permitted since the 1970's and has never violated its UPDES permit, which is a major accomplishment.

PROJECT DESCRIPTION:

The preferred alternative, given the situation as it stands, is to construct a new wastewater treatment plant on non-federal lands located slightly south of the existing plant. The treatment plant technology selected is a conventional activated sludge plant with biological nutrient removal, site master planning for tertiary filtration, and residuals holding and dewatering at the site. The project also includes repair and upgrade of an existing lift station. The City plans on maintaining the same discharge point which is made possible by the City's long-term agreement with the historic rail trail and the easements that have been negotiated.

POSITION ON PROJECT PRIORITY LIST:

Coalville is currently ranked 2nd of 25 on the Project Priority List.

POPULATION

Source Governor's Office of Planning and Budget 2008 estimates:

Population and Connection Projections		
Year	Residents	Total Sewer ERUs¹
2010	1,591	734
2020	1,944	834
2030	2,417	1,002

¹ Includes residential and non-residential ERU's

CURRENT USER CHARGE:

Coalville recently revised their sewer ordinance to raise sewer rates from \$28 to \$32 for a typical residence, and they also implemented an automatic increase to \$36/month in January 2012 and \$40/month in January 2013. The current rates are:

Residential \$32.00 per month
Commercial: \$32.00 per month plus \$2.29 per 1,000 gallons over 8,500 gallons
RV Parks: \$12.00 per space, plus usage at \$2.29 per 1,000 gallon
Impact Fee: \$3,330.57

IMPLEMENTATION SCHEDULE:

Introduction to WQB for Funding:	February 23, 2011
WQB Funding Authorization:	April 6, 2011
Final Public Hearings:	May 2011
Advertise EA (FONSI):	June 2011
Facility Plan Approval:	July 2011
Commence Design:	October 2011
Issue Construction Permit:	July 2012
Advertise for Bids:	August 2012
Bid Opening:	October 2012
Loan Closing:	November 2012
Commence Construction:	January 2013
Complete Construction:	<u>October 2014</u>

COST ESTIMATE:

Legal and Bonding	\$	28,000
DWQ Loan Origination Fee (1%)	\$	27,000
Engineering - Design	\$	684,000
Engineering - CMS	\$	684,000
Property & Easements	\$	350,000
Construction	\$	6,370,000
Contingency	\$	1,047,000
Refund 2001 Bond and DWQ Planning Advance	\$	294,000
Total	\$	9,484,000

ESTIMATED ANNUAL COST FOR SEWER SERVICE:

Operation & Maintenance - Annual	\$239,000
WQB Debt Service (0%; 20 yrs)	\$132,500
Existing Debt Service (to be refinanced)	\$0
WQB Required Reserves (1½ pmt/6 yrs)	\$33,125
Coalville City MAGI (2009)	\$39,300
Monthly Cost / ERU at 1.4% MAGI	\$45.85

STAFF COMMENTS AND RECOMMENDATION:

Staff will be meeting with Walt Baker and Curtis Pledger (Bureau of Reclamation) in Coalville on March 23, 2011. Staff Recommendations will be made at the Board meeting based on the outcome of this meeting. However, a project will likely be needed regardless of the outcome of this meeting and Staff is recommending that Coalville pursue matching funding from Rural Development as shown on the attached Cost Model. Staff recommends that the Board authorize a loan in the amount of \$1,650,000 at 0% interest

and grant in the amount of \$3,092,000 as well as an additional \$25,000 planning advance for Coalville to complete the funding application for Rural Development.

SPECIAL CONDITIONS:

1. Coalville City must agree to participate annually in the Municipal Wastewater Planning Program (MWPP).
2. As a part of the facility planning, Coalville City must complete a Water Conservation and Management Plan.
3. Coalville is responsible for securing the balance of funding needed for this project.

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File: Coalville/Planning/Section 1



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor


Department of Environmental Quality

Amanda Smith
Executive Director

DIVISION OF WATER QUALITY
Walter L. Baker, P.E.
Director

MEMORANDUM

TO: Utah Water Quality Board

THROUGH: Walter L. Baker, P.E.,
Executive Secretary 

FROM: Donald Hall, AFO/CAFO Program Coordinator,
Carl Adams, Manager TMDL Section

DATE: August 20, 2013

SUBJECT: **Funding Request for Utah Farm Bureau for Reasonable Measures
Implementation Assistance at Animal Feeding Operations**

The Division of Water Quality hereby requests funding, in the amount \$42,600, for AFO compliance assistance work through the Utah Farm Bureau.

Background

The Utah Strategy (Strategy) is a cooperative agreement between agricultural agencies, animal producer groups, and the Division of Water Quality (DWQ). Since 2000, the Strategy has driven water quality-related compliance and technical assistance efforts for animal feeding operations (AFOs) in Utah. DWQ supports the Strategy and its cooperative approach to provide compliance assistance to AFOs and to minimize contamination of surface waters from animal production sources.

Need

Due to recent changes in Utah statute and Division of Water Quality administrative code, there is a need to change the focus of the AFO assistance work through the Strategy. The new state CAFO Rule (R317-8-10) provides for a penalty exemption for AFOs that have an agriculture discharge if they have followed the "reasonable measures" outlined in the new rule. DWQ desires to assist AFOs in implementation of reasonable measures so that AFOs will improve their waste-handling capabilities and thus improve protection of the State's surface water. Reasonable measures are best management practices, Natural Resource Conservation Service (NRCS) standard practices, and establishing and implementing nutrient management plan criteria. When implemented, reasonable measures not only improve waste and nutrient management at AFOs, but also allows for a penalty exemption for those AFOs with an agriculture discharge.

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Work

DWQ has worked with Utah Farm Bureau to develop a workplan which will assist AFOs in achieving reasonable measures. If the funding for the AFO compliance assistance work is approved by the Board, a workplan will be implemented by Utah Farm Bureau to assist AFOs in meeting their reasonable measures. This will be accomplished through education, helping AFO producers in identifying the NRCS practices applicable at their facility and then assist the producer in compliance to those practices.

Funding and Contract

Staff recommends the Board authorize a grant in the amount of **\$42,600** to be directed for Utah Farm Bureau AFO compliance assistance work. If funding is approved, any contract would cover compliance assistance work from September 1, 2013 through December 31, 2014. DWQ believes this funding request and subsequent workplan implementation by Utah Farm Bureau will help reduce contamination of Utah's waters from animal feeding operations. Under any contract, Utah Farm Bureau will be reimbursed for only actual labor and other contract-approved costs incurred during implementation of the workplan.



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DIVISION OF WATER QUALITY
Walter L. Baker, P.E.
Director

MEMORANDUM

TO: Utah Water Quality Board

THROUGH: Walter L. Baker, P.E.,
Executive Secretary 

FROM: Donald Hall, AFO/CAFO Program Coordinator,
Carl Adams, Manager TMDL Section

DATE: August 16, 2013

SUBJECT: **Funding Request for Utah Association of Conservation Districts for Nutrient Management Plan and Reasonable Measures Implementation at Animal Feeding Operations**

The Division of Water Quality hereby requests funding, in the amount \$149,500, for AFO compliance assistance work through the Utah Association of Conservation Districts (UACD).

Background

The Utah Strategy (Strategy) is a cooperative agreement between agricultural agencies, animal producer groups, and the Division of Water Quality (DWQ). Since 2000 the Strategy has driven water quality-related compliance and technical assistance efforts for animal feeding operations (AFOs) in Utah. DWQ supports the Strategy and its cooperative approach to provide compliance assistance to AFOs and to minimize contamination of surface waters from animal production sources.

Need

Due to recent changes in Utah statute and Division of Water Quality administrative code, there is a need to change the focus of the AFO assistance work through the Strategy. The new state CAFO Rule (R317-8-10) provides for a penalty exemption for AFOs that have an agriculture discharge if they have followed the "reasonable measures" outlined in the State CAFO Rule. DWQ desires to assist AFOs to implement reasonable measures so that AFOs will improve their waste-handling capabilities and thus improve protection of the State's surface water. Reasonable measures are best management practices, Natural Resource Conservation Service (NRCS) standard practices, and establishing and implementing nutrient management plan criteria. When implemented, reasonable measures not only improve waste and nutrient management at AFOs, but also allows for a penalty exemption for those AFOs with an agriculture discharge. In addition, to

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a lesser degree, there is still need for nutrient management plan development, revision and implementation assistance at AFOs. New AFOs, or AFOs that to date have failed to implement their NMP need NMP assistance from UACD.

Work

DWQ has worked with UACD to develop a work plan which will assist AFOs in achieving reasonable measures and NMP implementation. If the funding for the AFO compliance assistance work is approved, the work plan will be implemented by UACD. This will be accomplished through NMP development, revision, soil and manure monitoring at AFOs near surface water, record keeping, land application education and assistance, assistance in providing runoff controls and proper waste containment and management, assistance in proper mortality management, etc.

Funding and Contract

Staff recommends the Board authorize a grant in the amount of **\$149,500** to be directed for UACD AFO compliance assistance work. If funding is approved, any contract would cover compliance assistance work from September 1, 2013 through December 31, 2014 (contingent upon approval of the work plan and contract by DWQ). DWQ believes this funding request and subsequent work plan implementation by UACD will help reduce contamination of Utah's waters from animal feeding operations. Under any contract, UACD will be reimbursed for only actual labor and lab fees associated with soil and manure monitoring.

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State of Utah

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Department of
Environmental Quality

Amanda Smith
Executive Director

DIVISION OF WATER QUALITY
Walter L. Baker, P.E.
Director

MEMORANDUM

TO: Water Quality Board

THROUGH: Walt Baker

FROM: Dan Hall

DATE: August 28, 2013

SUBJECT: Proposed Revision to Ground Water Public Notice Rule
UAC R317-6-6.5

Action Item

- Request Board approval to proceed with rulemaking for the proposed changes to R317-6-6.5.

Background

With the implementation of Permit Review Adjudicative Proceedings in Utah Code Ann. § 19-1-301.5 wherein the public comment period becomes more critical for preserving issues on appeal, requests for extensions of time for public comment are becoming more common. Staff is requesting that current language in the period for public comment provision for Notice of Intent to Issue a Ground Water Discharge Permit be amended to make clear the Director's authority to extend the public comment period beyond 30 days by adding the words "at least" to the 30 days which shall be allowed, and deleting "30-day" from when action will be taken.

If approved by the Board, staff will initiate rulemaking with the Division of Administrative Rules and return to the Board with a summary of comments received, DWQ responses, and any proposed changes as part of requesting Board adoption.

ATTACHMENT 1
Mark-up of proposed change to R317-6-6.5
Utah Water Quality Board Meeting
August 28, 2013

Proposed new text is underlined. Only the section that is affected by the proposed changes is included. Omitted sections are identified by [BREAK]. The complete rule is available at

<http://www.rules.Utah.gov/publicat/code/r317/r317-006.htm>

Green highlighting shows the new changes for August 28, 2013 Board meeting. Unhighlighted changes show the changes previously approved by the Board at the (month) 2013 meeting.

R317-6-6.5. Notice of Intent to Issue a Ground Water Discharge Permit

The ~~Executive Secretary~~ Director shall publish a notice of intent to approve in a newspaper in the affected area and shall allow at least 30 days in which interested persons may comment to the Board. Final action will be taken by the ~~Executive Secretary~~ Director following the ~~30-day~~ comment period.